

Message Text

CONFIDENTIAL

PAGE 01 ANKARA 02537 041613Z
ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 OMB-01 TRSE-00
AID-05 L-03 CIAE-00 INR-10 NSAE-00 SSO-00 INRE-00
/044 W

-----104250 041617Z /64

O R 141510Z APR 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 1350
INFO AMCONSUL ISTANBUL

C O N F I D E N T I A L ANKARA 2537

FOR EXIMBANK

E.O. 11652: GDS
TAGS: EFIN, OECD, TU
SUBJ: EXIMBANK RESTRUCTURING OF SHORT-TERM ARREARS: TURKEY

REF: (A) STATE 75703, (B) ISTANBUL 0910

1. EMBASSY APPRECIATED REPORT OF CHAIRMAN MOORE'S
CONVERSATION WITH AYSEL OYMEN OF TURKISH TREASURY AND
ASAF GUVEN OF TURKISH EMBASSY AND NOTED WITH INTEREST
WILLINGNESS OF EXIMBANK, IF TURKS ACCEPT THREE-YEAR TERM INITIALLY;
TO RECONSIDER TERMS OF RESHCEDULING OF INSURED PAST-DUE
SHORT-TERM SUPPLIER CREDITS AFTER IMF BOARD APPROVES
STANDBY AGREEMENT WITH TURKEY. EMBASSY DOES NOT HAVE
DETAILED KNOWLEDGE ABOUT BERN UNION RULES GOVERNING
EXPORT-CREDIT TERMS OR ABOUT EXIMBANK OPERATING REGULATIONS
AND WOULD FIND IT EXCEEDINGLY USEFUL IF EXIM COULD ANSWER
QUESTIONS THAT HAVE OCCURRED TO US IN CONNECTION WITH
SUCH A RESCHEDULING:

A. HAS EXIMBANK EVER RESCHEDULED FCIA-INSURED
CREDITS BEFORE? IF SO, ON WHAT TERMS?

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ANKARA 02537 041613Z

B. ON WHAT BASIS DID EXIMBANK SETTLE UPON THREE
YEARS AS REPAYMENT PERIOD FOR THESE RESCHEDULED CREDITS?

C. WHAT LIMITATIONS DO BERN UNION RULES PLACE ON
RESCHEDULING OF THIS DEBT?

\$. EMBASSY ASSUMES THAT EXIMBANK WOULD NOT WANT TO

OFFER MORE FAVORABLE TERMS THAN MIGHT EVENTAULLY BE OFFERED BY COFAS, HERMES, OR OTHERS. IS IT FEASIBLE FOR EXIM TO BEGIN DISCUSSIONS NOW WITH OTHER EXPORT-CREDIT INSTITUTIONS TO ARRIVE AT MUTUALLY ACCEPTABLE RESCHEDULING TERMS?

E. IF BERN UNION IMPOSES LIMITS THAT MIGHT PREVENT TERMS FROM BEING EASED TO DEGREE THAT TURKEY COULD MANAGE IN ITS PRESENT FINANCILA SITUATION, IS IT LIKELY THAT SUCH A GROUP COULD OBTAIN AN EXCEPTION TO BERN UNION RULES, ESPECIALLY IF THE EXCEPTION WERE TO BE SOUGHT IN CONNECTION WITH ACTIONS TAKEN IN CONTEXT OF OECD CONSORTIUM FOR TURKEY, FOR WHICH MEETING IS NOW BEING PLANNED?

F. IF, IN UNLIKELY EVENT THAT THERE ARE NO BERN UNION CONSTRAINTS, WHAT ARE THE OPERATING CONSTRAINTS OF EXIMBANK ITSELF IN THIS SITUATION? EMBASSY HOPES THAT IT IS POSSIBLE FOR EXIM, HAVING AGREED TO PRINCIPLE OF RESCHEDULING PAST-DUE INSURED SUPPLIER CREDITS, TO OFFER REPAYMENT PERIOD LONGER THAN THREE YEARS IF GOT CAN PROVIDE JUSTIFICATION.

2. IN CONVERSATION WITH MR OYMEN MARCH 31, ECON/COM COUNSELOR URGED THAT TURKISH GOVERNMENT RECONSIDER EXIMBANK OFFER (PARA 1) AND COME UP WITH SUGGESTIONS THAT WOULD HELP MOVE EXIM AND GOT TOWARDS AGREEMENT. OYMEN FULLY AGREED THAT REACTIVATION OF EXIMBANK CREDITS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ANKARA 02537 041613Z

NOW IN SUSPENSE AND RESUMPTION OF NEW LENDING WOULD GIVE SIGNIFICANT SIGNAL TO COMMERICAL BANKS AT TIME WHEN TURKEY IS TRYING TO RESTRUCTURE SHORT-TERM ARREARAGES AND OBTAIN NEW MONEY.
SPIERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT BANKS, REORGANIZATIONS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA02537
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780145-0482
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780497/aaaadefw.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5ac009b7-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 75703, 78 ISTANBUL 910
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3087376
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK RESTRUCTURING OF SHORT-TERM ARREARS: TURKEY
TAGS: EFIN, TU, OECD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5ac009b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014